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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**OFFICIAL**

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In re Application of: PAUL FIRESTONE :
Serial No.: 09/635,624 :
Filed: August 10, 2000 :
Title: SYSTEM AND METHOD FOR
COLLECTING VEHICLE FEES :
-----X

Group No.: 2876

Examiner: J. Franklin

Dated: April 21, 2004

SUPPLEMENTAL RESPONSE

Commissioner of Patents
P.O. Box 1450
Alexandria, VA 22313-1450

SIR:

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on April 21 2004

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Reg. No. 31,275 Reg. No. 35,903

This is to supplement a Response filed on February 2, 2004 in this case.

Attached hereto is an article from the New York Times dated April 4, 2004 and
remarks.

REMARKS

Enclosed is an article from the April 4, 2004 New York Times
entitled "Congress and White House End Taboo Against Tolls". The gist
of the article is that the Federal Government is now considering placing
tolls on Highways built with Federal money in order to raise money to
build and maintain the Interstate Highway System. Such a toll system is
deemed superior to an increase in the gas tax.

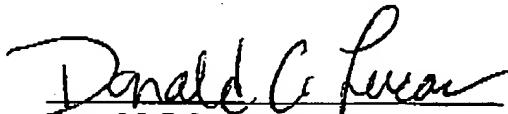
This article makes clear that there is a need for inventions such as the one in the present application. The article calls for high speed tolls and the present invention allows for high speed tolls.

The present invention equips each vehicle with an identification number and readable tag to allow for a toll to be levied against the vehicle. Such identification numbers are issued by a central governmental agency without the need of an application by the individual vehicle owner. Such a system allows each vehicle to be part of the toll system without having the additional step of the vehicle owner applying for entry into the system.

Respectfully applicant's invention is allowable and such action is respectfully requested.

Respectfully submitted,
Muserlian, Lucas & Mercanti

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Enclosures

Congress and White House End Taboo Against Tolls

Administrations Had Long Opposed Them

By JOHN TIERNEY

WASHINGTON, April 3 — Congress and the White House are still fighting over just how much to spend on highways, but they have resolved a 182-year-old dispute of more practical significance to most drivers, especially commuters stuck in traffic. The great taboo against tolls has ended.

The legislators who approved the highway bill on Friday faced the same basic problem as the Congress of 1822, when the federal highway system consisted of a gravel road from Cumberland, Md., to the Ohio River that was said to be in "a ruinous state." To pay for repairing the National Road, Congress proposed charging tolls, but President James Monroe vetoed the bill and set an enduring precedent.

Although some states later built their own toll roads, like the Pennsylvania and New Jersey Turnpikes, the federal government kept tolls off its roads through the 20th century. It required new stretches of the Interstate system to be toll-free, a policy that was long popular with drivers but is now blamed by many transportation experts for decrepit highways and worsening traffic jams.

Now the White House wants to relax the taboo, and on Friday the House of Representatives went along by passing a highway bill that encourages new express toll lanes and roads. The details of the House bill must still be reconciled with the bill already passed by the Senate, but that version also encourages tolls.

New tolls, which traffic engineers across America have been promoting as the cure to congestion, used to be considered political suicide because of longstanding opposition from automobile associations, truckers, bus companies and other industries. Their coalition, the American Highway Users Alliance, still lobbies fiercely against tolls on existing roads, but it endorsed the legislation permitting tolls on new lanes and roads.

This change of heart was due partly to new technology, which allows tolls to be electronically collected via transponders in cars moving at expressway speeds, eliminating the need for toll booths. The change was also an acknowledgment of fiscal reality: there seems to be no other way to pay for new roads.

The gasoline taxes that finance highways have been yielding less and less revenue because they are not indexed to inflation and because today's cars use less gasoline per mile. To bring revenues back to the inflation-adjusted levels of four decades ago, the federal and local gasoline taxes would have to be doubled — an increase of 38 cents per gallon, which is not being considered.

Leaders in the House have proposed raising the federal gas tax, now 18 cents, by a nickel, or at least indexing it to inflation, but the Bush administration has opposed any tax increase. Attempts to raise the tax at the state level have also proved unpopular in referendums.

"The public would much rather pay for new roads with tolls than with higher taxes," said Representative Mark Kennedy, the Minnesota Republican who championed the legislation allowing tolls on new lanes or roads. "If you put tolls on existing lanes, my guess is you're going to have a revolt. But if you give people stuck in traffic the option to pay to move into a fast-moving new lane, they're going to be happy."

Federal officials have allowed experiments with high-speed toll lanes in a few places, like San Diego and Houston, and those results encouraged the White House to expand the option. The new legislation would allow local officials elsewhere to create lanes guaranteeing drivers a speedy commute in return for a toll. New lanes could be created either by widening highways or by allowing solo drivers to pay a toll to use lanes now reserved for car pools. The tolls could also be raised in peak times.

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"We can use tolls to manage demand," said Mary E. Peters, the administrator of the Federal Highway Administration. "Our Interstate system left the public with the perception that roads are free and price shouldn't vary according to the demand you place on roads, but that's a fallacy. If you use the road at a peak time when many other people want to use it, then you should pay a higher price."

Samuel I. Schwartz, who coined the term "gridlock" when he was the traffic commissioner of New York City, said there was no way to solve the problem without a change in federal policy. "Until now, if you tried to put tolls on any road built with federal dollars, you had to give back the dollars," he said. "But we can't solve gridlock without pricing roads according to demand. We need that tool in our toolbox."

Some critics complain that tolls create "Lexus lanes" that are used disproportionately by the affluent. Representative James L. Oberstar, a Minnesota Democrat who opposed the toll provisions passed on Friday, has warned that imposing tolls "could effectively close these roads to low-income workers" and said new roads should be financed instead through increases in the gasoline tax.

Others favor both financing options. "I'd like to see higher gasoline taxes along with tolls," said Robert Atkinson, the vice president of the Progressive Policy Institute, the research arm of the centrist Democratic Leadership Council. "As a Democrat, I look at tolling as a pro-

gressive tax system, because we can get higher-income people to pay tolls to build new roads, and lower-income people benefit without paying a cent because the existing free roads become less congested."

The House's highway bill would cost \$275 billion, less than the \$318-billion version passed by the Senate, but still higher than the White House's limit. President Bush threatened to veto any highway bill costing more than \$256 billion. As the legislators try to negotiate a compromise, the potential extra revenue from tolls could be important.

"The only feasible way to bridge the gap between Congress's desire to invest more in highways and the White House's veto threat is with lots of opportunities for toll projects," said Robert Poole, the director of transportation studies at the Reason Public Policy Institute. He estimated that tolls could add up to \$50 billion to what Congress is dispensing from the federal coffers, and said that local officials are eager to start new toll projects once the legislation is signed.

"Most fast-growing states, like Colorado, Florida, North Carolina, Texas and Virginia, now see tolls playing a big part in meeting the need for more highway capacity," Mr. Poole said. "It's time for the feds to get on board."

Tolls, incidentally, ultimately solved the 19th-century battle over the National Road, which ran roughly along the present-day path of Route 40 between Cumberland and Wheeling, W.Va. After President Monroe vetoed any federal tolls in 1822, the road continued to deteriorate until a compromise was reached in the 1830's. The federal government transferred control of the road to the states, which then erected their own tollhouses.

*Easing the way for
highway repair and
for commuters stuck in
traffic.*

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New York Times April 4, 2004